



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
ENVIRONMENT COMMITTEE
March 7, 2011

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 90% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

CCM has concerns with HB 6263 "*An Act Concerning the Transition from the Ten-Mil program,*" which would change the way Ten-Mil properties are valued at the time of reassessment.

BACKGROUND

The Ten-Mil Program was established about fifty years ago as a way to help reduce the tax burden on certain forest lands in an effort to ensure preservation of these properties. Property owners voluntarily entered in the program, a 100 year commitment, to preserve the property.

Once in the program, the property was initially assessed and then taxed based on a 10-mil rate for fifty years. At the conclusion of the first half of the program, the properties are to be reassessed and again taxed at the same 10-mil rate on the new assessed value for the second half of the program. The penalty for leaving this program anytime during the 100 year cycle is 5-mils per year the property was in the program. The fifty year reassessment begins to come due this year for some properties and continues through 2022.

Our understanding is that there is a growing concern the new tax bill on the reassessed values of these properties could create such a financial burden that it may force some property owners to sell. It has been said that "even though the penalty is very steep, it would not exceed the income they could generate if they clear cut the timber and sold the vacant land to a developer."

CCM's CONCERNS

While CCM understands the genesis behind this proposal, without a doubt this would reduce future revenues for local governments that are already cash-strapped.

Instead, **we have urged proponents of the bill to consider a municipal-option approach**, leaving the discussions to happen on the local level between municipal chief elected officials and property owners.

In addition, as it has been explained to CCM by the Department of Environmental Protection - this bill would require reassessment of these properties based on PA 490 land values, instead of current and best use but that the properties would continue to stay in the Ten-Mil program and the commitment for the next fifty years and corresponding penalty would remain intact. **CCM asks for clarification from the Committee that this is indeed what the bill would do.**

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If you have any questions Kachina Walsh-Weaver, CCM Senior Legislative Associate,
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